



# CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** COMPREHENSIVE ANNUAL FINANCIAL REPORT & SINGLE AUDIT  
(FISCAL YEAR 1994-95)

**MEETING DATE:** January 17, 1996

**PREPARED BY:** Finance Director

**RECOMMENDED ACTION:** That the City Council receive for file the following reports and financial statements submitted by KPMG Peat Marwick LLP and the Finance Department for Fiscal Year 1994-95.

- The Combined Annual Financial & Single Audit Report
- The Management Letter
- The SAS 61 Report (Report to City Council)
- Agreed Upon Procedures - Appropriations Limitations
- Agreed Upon Procedures - Investments

**BACKGROUND:** The annual audit was conducted to ensure the City Council and other interested parties that the City's financial records and reports are prepared in accordance with generally accepted accounting principles (GAAP), that internal controls are adequate and protect the City against loss from unauthorized use or disposition and that the City has complied with all agreements and covenants to obtain grant funds and debt financing. KPMG Peat Marwick has issued an "unqualified opinion".

These reports will be provided to Federal and State oversight agencies, bond trustees and insurance companies for their review and evaluation. Copies of the reports were provided to the City Council under separate cover, and may be obtained by the public by contacting the Finance Department. An information copy of the Combined Annual Financial & Single Audit report will be available during the Council meeting.

### Certificate of Achievement

The City received a Certificate of Achievement for Excellence in Reporting from the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO) for the second year in a row. Copies of these certificates are included in the 1994-95 Financial Report.

### Acknowledgments

Ruby Paiste and Cory Wadlow of the Finance Department Accounting section are to be commended for their hard work and professionalism in preparing the City's Annual Financial Reports. It is due to their dedication to excellence and to the City that Lodi has been recognized by the auditors and other finance professional organizations.

**FUNDING:** Not applicable.

*Vicky McAthie*  
Vicky McAthie  
Finance Director

**APPROVED:**

*H. Dixon Flynn*  
H. Dixon Flynn — City Manager

**City of Lodi  
Presentation to the City Council  
January 17, 1996**

- **KPMG Peat Marwick**
  - Pam Scott, Partner
  - Diane Manning, Senior Manager
- **Financial Statement Audits**
  - Financial Statement Audit vs. Performance Audit
  - Users of Financial Statements
  - Degree of Audit Assurance
  - Management's Responsibilities
- **Required Communications to the Council**

<ul style="list-style-type: none"><li>- KPMG's Responsibility Under GAAP</li><li>- Significant Accounting Policies</li><li>- Management Judgments and Accounting Estimates</li><li>- Significant Audit Adjustments</li></ul>	<ul style="list-style-type: none"><li>- Other Information in Documents</li><li>- Disagreements with Management</li><li>- Consultation with Other Accountants</li><li>- Major Issues Discussed</li><li>- Difficulties Encountered</li></ul>
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- **Highlights of the 1995 Comprehensive Annual Financial Report**
  - Independent Auditors' Report
  - Financial Statements and Footnotes
    - GASB 22
    - Accounting for Refuse Services
    - In-lieu Taxes
    - Operations Reclassified Between Funds
    - PERS Disclosure
    - Contingent Obligations
  - Statistical Data
  - Single Audit
- **Management Letter**
- **Other Questions**